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From the
1945 Goals
Handbook

UNITED STATES DEPARTMENT OF AGRICULTURE
War Food Administration

Washington, Nov. 20, 1944

PROPOSED 1945 SUPPORT PRICES ON FARM PRODUCTS

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The proposed 1945 support prices summarized in this statement are necessarily contingent upon action by the Congress providing funds and authorizations for carrying out the program.

Support prices for needed crops and classes of livestock are an integral part of the war food program. Generally announced in advance of the time when farmers must plant their crops or plan their livestock production, they assure specified returns and are the farmers' equivalent of the contract prices which cover the operations of producers of guns, ammunitions, ships, tanks, airplanes, clothing, and other war materials. Moreover, the relative levels at which these support prices are established constitute one of the more important devices available to the War Food Administration for encouraging the most desirable pattern of agricultural production.

The chief legislative bases for the support-price program are section 302 of the Agricultural Adjustment Act of 1938, as supplemented by section 8 of the act of October 2, 1942, and the so-called Steagall Amendment, or section 4 (a) of the act approved July 1, 1941, as amended by the act of October 2, 1942.

This legislation requires that the basic crops -- corn, cotton, wheat, rice, tobacco, and peanuts for nuts -- be supported at 90 percent of parity (92½ percent in the case of cotton) if marketing quotas have not been disapproved, regardless of whether a support at such level is necessary to obtain the needed wartime production. Prices must also be supported at not less than 90 percent of the parity or comparable price for any nonbasic commodity for which it has been found necessary to encourage a substantial expansion of production.

Since prices generally must be supported at about 90 percent of parity, it is necessary to establish support prices for some of the more urgently needed commodities at levels considerably above parity in order to assure prices attractive enough to obtain the necessary shifts in production.

So far, the Secretary of Agriculture or the War Food Administrator has asked under the Steagall Amendment for an expansion in production of hogs, eggs, chickens (excluding chickens weighing less than 3 pounds live weight and all broilers), turkeys, milk and butterfat, designated varieties of dry peas, designated varieties of dry beans, soybeans for oil, flaxseed for oil, peanuts for oil, potatoes, cured sweetpotatoes, and American-Egyptian cotton. It should also be noted that the War Food Administration is directed to support the prices of these commodities as well as the basic commodities -- corn, cotton, wheat, rice, tobacco, and peanuts for nuts -- at not less than 90 percent of parity for a period extending until 2 years after the January 1 following the date on which the President or the Congress shall have proclaimed hostilities to have ended.

In addition to the commodities for which support prices have been formally proclaimed under the Steagall Amendment or for which loans are specifically required by legislation, support prices or loans are proposed for 1945 for a number of other commodities, including sugar beets, sugarcane, rye, barley, grain sorghums, vegetables for canning, and a number of grass and legume seeds.

Support-price programs are carried out through purchase of commodities for military, lend-lease, and other governmental uses, including purchases out of the 30 percent of the tariff revenues appropriated by section 32 of Public Law 320, Seventy-fourth Congress, or through loans, purchases, and other operations conducted by the Commodity Credit Corporation.

In general, the support prices for livestock and livestock products extend through December 31, 1945, while the support prices for crops grown and harvested in 1945 extend through June 30, 1946. In the case of hogs, however, support prices have been announced for the period ending March 31, 1946, in order to assure returns from the spring pig crop of 1945.

WHEAT

Non-recourse loans at 90 percent of the parity price as of July 1, 1945, will be made available to farmers on wheat produced in 1945 and stored on farms or in warehouses. The specific schedule of loan rates, with differentials for location, grade, and quality will be announced at a later date. The loans will be available until December 31, 1945, and will mature on April 30, 1946, or earlier upon demand.

CORN

Non-recourse loans at 90 percent of the parity price as of October 1, 1945, will be made available to farmers on corn produced in 1945 and stored on farms. The specific loan rate for each location will be announced at a later date. Corn grading No. 3, or better, except for moisture content, will be eligible for loan. Ear corn containing more than $20\frac{1}{2}$ percent moisture and shelled corn containing more than $13\frac{1}{2}$ percent moisture will not be eligible for loans. The loans will be available as follows: From December 1, 1945, to March 31, 1946, for ear corn containing not more than $20\frac{1}{2}$ percent moisture; from December 1, 1945, to April 30, 1946, for ear corn containing not more than $17\frac{1}{2}$ percent moisture; from December 1, 1945, to May 31, 1946, for ear corn containing not more than $15\frac{1}{2}$ percent moisture; and from June 1, 1946, to September 30, 1946, for shelled corn containing not more than $13\frac{1}{2}$ percent moisture. The loans will mature on September 30, 1947, or earlier upon demand.

COTTON

Non-recourse loans at $92\frac{1}{2}$ percent of the parity price as of August 1, 1945, will be made available to farmers on American Upland cotton produced in 1945 and stored on farms or in warehouses. The basic loan rate will be for Middling $7/8$ inch cotton, with appropriate premiums and discounts for other qualities and differentials according to location. The specific schedule of loan rates, with premiums and discounts based on market prices from August 1, 1944, to June 30, 1945, will be announced at a later date. The loans will be available until May 1, 1946, and will mature July 31, 1946, or earlier upon demand.

RICE

Non-recourse loans at 90 percent of the parity price as of August 1, 1945, will be made available to farmers and cooperative associations on rough rice produced in 1945 and stored on farms or in warehouses. The specific schedule of loan rates with differentials for location, variety, grade, and milling quality will be announced at a later date. The loans will be available from September 1, 1945, to February 28, 1946. They will mature on June 30, 1946, in southern States and on July 31, 1946, in California, or earlier upon demand.

- 3 -

TOBACCO

Non-recourse loans at 90 percent of the parity price as of the beginning of the marketing year (July 1, 1945, for flue-cured tobacco and October 1, 1945, for other types) will be made available to farmers and cooperative associations on tobacco produced in 1945 and stored in warehouses. The specific schedules of loan rates will be announced at a later date. In addition, the Administration will purchase tobacco through dealers as required for governmental purposes.

PEANUTS

Peanuts produced in 1945 will be supported at base prices to farmers of \$160 per ton for Spanish, Virginia, and Valencia types and \$145 per ton for Runner types. These base prices are for peanuts having a sound, mature kernel content of 65 percent in the case of Virginia, Valencia, and Runner types and 70 percent in the case of Spanish types. Premiums and discounts will be established for other qualities. The War Food Administration (which will be the only authorized buyer of 1945 crop peanuts) will enter into price supporting contracts with shellers, crushers and producer cooperative associations under which they will agree to purchase peanuts from farmers for the account of the Administration at not less than the support prices, and the Administration will agree to make peanuts available for processing and distribution at prices based upon applicable ceilings. The Administration will also make loans on farmers' stock peanuts available through cooperative associations.

SOYBEANS

Soybeans produced in 1945 will be supported at a price to farmers of \$2.04 per bushel for green and yellow soybeans grading No. 2 or better, with not more than 14 percent moisture content, delivered to country elevators or other normal producer delivery points. Premiums will be provided for lower moisture content and discounts for lower grades. Support prices will be 20 cents per bushel lower for brown, black and mixed soybeans. The specific schedule of support prices will be announced at a later date.

Non-recourse loans at the support prices will be made available to farmers on soybeans produced in 1945 and stored on farms. The loans will be available until January 31, 1946, and will mature on April 30, 1946, or earlier upon demand.

The War Food Administration will also offer to purchase soybeans at the support prices through terminal and other elevators and to enter into price supporting contracts with processors under which processors will agree to pay not less than the support prices for soybeans purchased by them.

FLAXSEED

Support prices for U. S. No. 1 flaxseed produced in 1945 and delivered to processor's plant in carload lots will be \$3.00 per bushel at Mankato, Minneapolis and Red Wing, Minnesota; Milwaukee, Wisconsin; Chicago, Illinois and Portland, Oregon, \$3.20 per bushel at Los Angeles and San Francisco, California, \$2.85 per bushel at Emporia and Fredonia, Kansas, and \$2.80 per bushel at Corpus Christi, Harlingen, and Houston, Texas. Support prices for flaxseed grading U. S. No. 2 will be 5 cents per bushel less. The support prices at local markets will be the applicable terminal price less freight and handling charges. The specific schedule of support prices will be announced at a later date.

Non-recourse loans at the support prices will be made available to farmers on flaxseed produced in 1945 and stored on farms or in warehouses. The loans will be available until October 31, 1945, on California and Arizona flaxseed and until January 31, 1946, on all other flaxseed. The loans will mature upon demand but not later than March 31, 1946, for California and Arizona flaxseed and not later than June 30, 1946, for all other flaxseed.

DRY EDIBLE BEANS

During the period ending June 30, 1946, the War Food Administration will purchase certain designated varietal types of dry edible beans produced in 1945 and offered for sale to the Administration pursuant to procedures which it will announce at a later date. Purchases will be made in carload lots, cleaned and bagged, f. o. b. cars at country shipping points, at the following prices for U. S. No. 1 grade beans: \$8.00 per hundred pounds for Light Red Kidney, Dark Red Kidney, and Western Red Kidney beans; \$7.50 per hundred pounds for Lima and Baby Lima beans; \$6.50 per hundred pounds for Pea, Medium White, Great Northern, Small White, Flat Small White, Pink, Western Cranberry, and Small Red beans; \$6.20 per hundred pounds for California Blackeye beans; \$6.15 per hundred pounds for Cranberry beans other than Western; \$5.40 per hundred pounds for Pinto beans. U. S. No. 2 grade of the above types will be purchased at 15 cents per hundred pounds less than the prices for the U. S. No. 1 grade.

The Administration will offer price supporting contracts to country shippers under which the shippers will agree to pay farmers for thresher-run beans not less than the support price minus the established margin for cleaning, bagging, labeling, and merchandising. The War Food Administration may refuse to accept offers from dealers whose cleaning and handling margin is in excess of the maximum rate approved by it.

Non-recourse loans will be made available to farmers on thresher-run beans of the designated varietal types, except Cranberry beans, California Blackeye beans, and Southern Blackeye peas, which are produced in 1945 and stored on farms or in warehouses provided warehouse charges are prepaid through April 30, 1946. The loan rates, except on Pinto beans, will be \$5.50 per hundred pounds for U. S. No. 1, \$5.35 per hundred pounds for U. S. No. 2, and \$5.10 per hundred pounds for U. S. No. 3. The loan rates on Pinto beans will be \$1.00 per hundred pounds lower than these rates. Beans which have moisture content of more than 18 percent or which, after cleaning, will contain defects in excess of 10 percent, will not be eligible for loan. The loans will be available until December 31, 1945, and will mature on April 30, 1946, or earlier upon demand.

DRY EDIBLE PEAS - SMOOTH TYPES

During the period ending June 30, 1946, the War Food Administration will purchase smooth type dry peas of the varietal types Alaska, Bluebell, Scotch Green, First and Best, Marrowfat, Colorado White, and White Canada, produced in 1945 and offered for sale to the Administration pursuant to procedures which it will announce at a later date. Purchases will be made in carload lots, cleaned and bagged, f. o. b. cars at country shipping points at the following prices: For the designated varietal types except Colorado White, U. S. No. 1 grade, \$4.50 per hundred pounds; U. S. No. 2 grade, \$4.25 per hundred pounds; for Colorado White, U. S. No. 1 grade \$4.25 per hundred pounds; U. S. No. 2 grade, \$4.00 per hundred pounds.

The Administration will offer price supporting contracts to country shippers under which the shippers will agree to pay farmers for thresher-run peas not less than the support price minus the established margin for cleaning, bagging, labeling, and merchandising. The WFA may refuse to accept offers from dealers whose cleaning and handling margin is in excess of the maximum rate approved by it.

POTATOES

Support prices on potatoes produced in 1945 will reflect 90 percent of the parity price calculated as of January 1, 1945, for early and intermediate potatoes and as of July 1, 1945, for the remainder of the crop. The support prices will apply only to potatoes which grade U. S. No. 1 or U. S. Commercial containing not less than 80 percent of U. S. No. 1 quality. The support prices will be effective at the shipping point level on the basis of potatoes graded, sacked, and loaded f. o. b cars. The specific schedule of support prices by area, grade, variety, and month will be announced at a later date.

For early and intermediate potatoes the War Food Administration will offer to purchase potatoes at the support prices from farmers or from dealers who pay not less than the equivalent of the support prices for the potatoes they purchase from farmers.

For late potatoes the Administration will make loans on potatoes stored on farms or in warehouses available to farmers and cooperative associations, and to dealers who pay farmers not less than the equivalent of the support prices. The loans will be non-recourse regarding market value but the borrower will be responsible for the quantity and quality of the potatoes stored, excluding losses caused by flood, fire, theft, windstorm, or lightning for which the borrower is not responsible. The loans will be made available between September 15 and December 15, 1945, and will mature on March 31, 1946, or earlier upon demand. The specific schedule of loan rates by area, grade, and variety will be announced at a later date.

CURED SWEET POTATOES

Non-recourse loans will be made available to farmers and cooperative associations on cured sweet potatoes produced in 1945, packed in standard crates, baskets or hampers, and assembled in lots of 1,000 bushels or more in approved storage warehouses. Loans will also be made available to dealers who pay farmers not less than the equivalent of the support prices. The loans will be made at 90 percent of the parity price as of November 1, 1945, but in no event less than the following rates per bushel for U. S. No. 1 grade. \$1.50 from November 15 to December 31 \$1.65 in January, and \$1.75 in February. The loan rates for U. S. No. 2 sweet potatoes containing not less than 75 percent of U. S. No. 1 quality will be 15 cents per bushel less than the rates of U. S. No. 1. The loans will be available from November 15, 1945, to February 25, 1946, and will mature on April 15, 1946, or earlier upon demand.

The price support loans will be supplemented, if necessary, by purchases of uncured sweet potatoes in carload lots for relief purposes and by such other surplus diversion programs as may be practicable.

AMERICAN-EGYPTIAN COTTON

Non-recourse loans at rates based on 90 percent of the parity price as of August 1, 1945, for average quality, will be made available to farmers on American-Egyptian cotton produced in 1945 and stored in warehouses. The loan rate will be adjusted to, and announced on, the basic quality grade (No. 2, 1½ inches, net weight), with appropriate premiums and discounts for other grades and staples, and with differentials according to location. The specific schedule of loan rates will be announced at a later date. The loans will be available until May 1, 1946, and will mature on July 31, 1946, or earlier upon demand.

H O G S

During the period ending March 31, 1946, the War Food Administration will support prices for hogs at not less than 90 percent of the parity price, but in no event less than previously designated prices for good and choice butcher hogs (barrows and gilts) weighing 200 to 240 pounds. For the Chicago, Illinois, market the designated support price for these grades and weights of hogs is \$12.50 per hundredweight. The support prices at other markets will be at such differentials from the Chicago market as are specified in War Food Order No. 75. This means that in general the support price at other markets will bear the same relation to the ceiling price as \$12.50 per hundred-weight bears to the ceiling price at Chicago.

The War Food Administration will purchase federally inspected pork products at prices which will enable slaughterers to pay not less than the designated support prices for hogs. War Food Order No. 75 requires slaughterers to pay not less than the support prices for hogs. As an additional price support measure, the Reconstruction Finance Corporation stands ready to withhold slaughter payments from any slaughterer who purchases hogs below the support price during the period for which such payments are provided.

MILK AND BUTTERFAT

The War Food Administration has already announced the rates at which dairy production payments will be made to farmers during the period ending March 31, 1945. Announcement will be made later as to what the program will be after that date.

EGGS

The program for eggs will be announced at a later date.

CHICKENS (EXCLUDING CHICKENS WEIGHING LESS THAN THREE AND ONE-HALF POUNDS LIVE WEIGHT AND ALL BROILERS) AND TURKEYS

During the period ending December 31, 1945, the War Food Administration will support prices to farmers for chickens (excluding chickens weighing less than three and one-half pounds live weight and all broilers) and turkeys at 90 percent of the parity prices. Specific schedules of support prices and the methods of support will be announced at the time price supporting operations are needed.

SUGAR BEETS

The War Food Administration will offer to enter into price supporting agreements with sugar beet processors under which the Administration, through the processors, will assure farmers a national average return for 1945-crop sugar beets of standard quality \$3.00 per ton higher than the average return for 1942-crop sugar beets of standard quality. (Sugar beets of standard quality contain 16.5 percent sucrose if tested as bought or 16.2 percent sucrose if tested as sliced.) This price support will be applicable to sugar beets delivered to the processors at the usual delivery points. It is estimated that total returns to growers from the 1945 crop, including payments under the Sugar Act of 1937, will average around \$12.50 per ton for sugar beets of the average quality of recent years. Payments under this program are contingent upon an appropriation by the Congress.

LOUISIANA AND FLORIDA SUGARCANE

The price support program for the 1945 crop of Louisiana and Florida sugarcane was announced on August 5, 1944. Under this program the War Food Administration will enter into agreements with sugarcane processors under which price support payments (which will be in addition to payments under the Sugar Act of 1937) will be made to farmers through the processors. The rates of these payments, subject to downward adjustment in the event of an advance in the market price of sugar, are: For Louisiana, about \$1.60 per ton of sugarcane of the average quality of recent years (\$1.53 per ton of "standard" cane); For Florida, \$1.60 per ton of average sugarcane, the payment to be graduated upward or downward on the basis of the quantity of sugar commercially recoverable from the cane. These payments are contingent upon an appropriation by the Congress.

RYE

Non-recourse loans will be made available to farmers on rye produced in 1945 and stored on farms or in warehouses. The loan rate for rye grading No. 2 or better or grading No. 3 solely on test weight will be 75 cents per bushel. Discounts will be made on rye containing ergot. A deduction of 7 cents per bushel will be made on warehouse-stored rye unless the producer has paid the storage charges through April 30, 1946. The loans will be available until December 31, 1945, and will mature on April 30, 1946, or earlier upon demand.

BARLEY

Non-recourse loans will be made available to farmers on barley produced in 1945 and stored on farms or in warehouses. The loan rate for No. 1 barley will average 80 cents per bushel on farm storage basis for the country as a whole but will vary by areas in accordance with a schedule of differentials to be announced later. Discounts from these rates will be made for lower grades. A deduction of 7 cents per bushel will be made on warehouse-stored barley unless the producer has paid the storage charges through April 30, 1946. The loans will be available until December 31, 1945, and will mature on April 30, 1946, or earlier upon demand.

GRAIN SORGHUMS

Non-recourse loans will be made available to farmers on grain sorghums produced in 1945 and stored on farms or in warehouses. The loan rate for grain sorghums grading No. 2 or better will average \$1.65 per hundred pounds on a farm storage basis for the country as a whole but will vary by areas in accordance with a schedule of differentials to be announced later. Discounts from these rates will be 8 cents per hundred pounds for No. 3 grade and 16 cents per hundred pounds for No. 4 grade. In addition, a discount of 3 cents per hundred pounds will apply to mixed grain sorghums. Grain sorghums grading discolored, weevily, or smutty will not be eligible for loans. A deduction of 12 cents per hundred pounds will be made on warehouse-stored grain sorghums unless the producer has paid the storage charges through June 30, 1946. The loans will be available until February 28, 1945, and will mature on April 30, 1946, or earlier upon demand.

VEGETABLES FOR CANNING

Prices to farmers for snap beans, sweet corn, green peas, and tomatoes grown in 1945 for canning will be supported by the War Food Administration through price-supporting contracts with canners who are certified by State Agricultural Conservation Committees as agreeing to contract with farmers for at least the specified support levels for the raw products and by the acceptance of all offers of such canners to sell specified products to the Administration. The farmer who contracts with a certified canner will have assurance of receiving the support prices. No provision will be made for obtaining support prices in any other manner, and no obligation will be made to support prices for uncontracted products at any level.

The 1945 grower support prices for the four canning vegetables, on a national average basis, will compare as follows with 1944 support prices: tomatoes, the same; corn, 50 cents a ton less; peas, \$3.50 a ton less; and snap beans about \$10 a ton less. Detailed schedules of 1945 grower support prices for these vegetables for canning by varieties, grades, sizes, and producing areas will be announced at an early date.

The War Food Administration will accept the 1945 pack of canned snap beans, sweet corn, green peas, tomatoes, and tomato juice of designated specifications offered to it by certified canners at prices, and in accordance with conditions, which will be announced at a later date. The support level for certified canners who purchase raw material on the open market will be adjusted for any raw product costs below the support levels.

FRESH VEGETABLES

The War Food Administration will extend assistance to fresh vegetable growers to the extent possible through (1) encouragement of movement through normal trade channels, (2) diversion of surplus fresh vegetables to processing channels, and (3) purchases of surplus fresh vegetables for distribution through Government channels. However, no support prices for 1945 crop vegetables grown for fresh market will be designated.

Any purchases that may be made to relieve surpluses will necessarily be limited in quantity to the extent of available eligible outlets. Furthermore, purchases will be confined to those vegetables, qualities, and grades which are suitable for distribution.

WINTER COVER CROP SEEDS

Under the price support program for winter cover crop seed produced in 1945, the War Food Administration will purchase from farmers recleaned, bagged seed, which is fumigated when necessary, on the basis of the following prices per pound for top quality seed: Hairy vetch, 12 cents; certified Willamette vetch, 6 cents; crimson clover, 11½ cents; common rye-grass, 7½ cents. Also, non-recourse loans will be made available to farmers on Austrian winter peas at 3½ cents per pound and on Rough pea vine and Blue lupine at 5 cents per pound. Discounts are provided for seed which fails to meet basic specifications. Purchase prices and loan rates (except for Blue lupine) are 1 cent per pound higher in Southern and East Central States to equalize freight costs. Detailed schedules of purchase prices and loan rates will be announced at a later date.

HAY AND PASTURE SEEDS

Non-recourse loans will be made available to farmers on specified kinds of hay and pasture seeds produced in 1945 which are cleaned, bagged, tagged, and delivered to a warehouse. The following price for each kind of seed included in the program is for seed that meets the maximum standards of purity and germination. Further details will be announced at a later date.

	Cents per Pound			Cents per Pound	
	Common Seed	Certified Seed		Common Seed	Certified Seed
Alfalfa					
Northern	33	40	Bahia	20	30
Central	30	37			
Okla. "approved origin"	30	-	Big bluestem	20	25
Southern	26	33	Little bluestem	20	25
Alsike Clover	25	-	Sand bluestem	25	-
Alyce clover	18	-	Smooth bromegrass	-	15
Biennial white sweetclover	9	15	Buffalo grass	40	50
			Dallis grass	20	-
Biennial yellow sweetclover	9	15	Blue grama	15	-
Biennial mixed sweetclover	8	-	Sideoats grama	20	25
Black medic	20	-	Orchard grass	15	18
Cluster clover	25	-	Sudan grass	4	6
Yellow hopclover	35	-	Switchgrass	20	25
Huban (Texas only)	10	-	Timothy	4.5	9
Ladino clover	150	-	Crested wheatgrass	7	-
Lespedeza			Slender wheatgrass	7	-
Common and Tenn. 76	20	-	Western wheatgrass	10	-
Kobe and Sericea	15	-	Weeping lovegrass	50	-
Persian clover	25	-			
Red Clover	28	34			
White clover 1/	50	-			

1/ In Alabama, Florida, Georgia, Louisiana, and Mississippi only.

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Chrysomelidae